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Recommendation for Board Action

Austin Housing Finance Corporation	Item ID	19837	Agenda Number	2.
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Meeting Date:	12/6/2012	Department:	Neighborhood and Community Development
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Subject

Approve an increase of \$250,000 to the \$600,000 loan previously authorized by Agenda Item 20120405-AHFC005, which authorized the negotiation and execution of a loan to LIFEWORKS AFFORDABLE HOUSING CORPORATION, an affiliate of Youth and Family Alliance, doing business as LifeWorks, for a total amount not to exceed \$850,000 for the purpose of acquiring the property at 835 North Pleasant Valley Road to develop 45 rental units that will provide housing and services for LifeWorks' clients, including youth who would otherwise be homeless, teen parent families, and permanent supportive housing for youth aging out of foster care.

Amount and Source of Funding

Funding is available in the Fiscal Year 2012-2013 Capital and Operating Budgets of the Austin Housing Finance Corporation.

Fiscal Note

A fiscal note is attached.

Purchasing Language:	
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Prior Council Action:	
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For More Information:	Contact Elizabeth A. Spencer, Austin Housing Finance Corporation Treasurer, 974-3182.
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Boards and Commission Action:	April 5, 2012 – Austin Housing Finance Corporation Board authorized negotiation and execution of a loan with Lifeworks not to exceed \$600,000 (Agenda Item 20120405-AHFC005).
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MBE / WBE:	
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Related Items:	
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Additional Backup Information

Funding Request

- If approved, the \$850,000 requested will be used to assist with property acquisition of approximately 2.4 acres. \$650,000 would come from Affordable Housing General Obligation Bond Funds and \$200,000 from Housing Trust Funds.
- Austin Housing Finance Corporation's (AHFC's) funds will represent approximately 15 percent of the total project cost, with an average cost of \$18,888 per unit.
- AHFC's proposed loan would close simultaneously with a \$3.6 million loan from the Texas Department of Housing and Community Affairs (TDHCA).
- The requested funding is consistent with the City of Austin's currently approved Consolidated Plan and AHFC's strategy to provide assistance through below market rate financing for the development of affordable rental housing for low- and moderate-income households and persons with special needs.
- Estimated Sources and Uses for the project are as follows:

Sources:

TDHCA NSP Funds	\$3,625,622
Proposed AHFC Funds	850,000
Austin Community Foundation	500,000
Federal Home Loan Bank	500,000
Other Foundations/Fundraising	<u>110,844</u>
TOTAL	\$5,586,466

Uses:

Acquisition	\$1,065,150
Pre-development	316,200
Soft & Carrying Costs	721,820
Hard Costs	<u>3,483,296</u>
TOTAL	\$5,586,466

Population Served & Project Characteristics

- Residents must be low-income persons with yearly incomes at or below 50 percent of the Median Family Income (MFI) for the Austin-Round Rock Metropolitan Statistical Area, currently \$26,600 for a one-person household and \$30,400 for a two-person household.
- The tenant population will be a mixture, including:
 - youth/young adults aging out of foster care;
 - unaccompanied youth/formerly homeless youth;
 - young, single head of household families;
 - teen parents; and
 - other families with incomes at or below 50 percent MFI
- The 45 units will occupy three separate buildings on the site. The units will consist of efficiencies, one-, two- and three-bedrooms, ranging in size from 397 to 997 square feet.
- The unit mix will be:
 - 22 units for residents at or below 50 percent MFI
 - 33 units for residents at or below 30 percent MFI, currently \$15,950 for one person, \$18,200 for a two-person household.
- With this request for additional funding, LifeWorks has offered to increase the number of Permanent Supportive Housing units from 10 to 20.
- A minimum of two units will be specifically reserved for holders of Housing Choice Vouchers (Section 8), and LifeWorks will accept more voucher holders if available. LifeWorks partners with the Housing Authority of the City of Austin and the Texas Department of Family and Protective Services to provide case management and Housing Choice Vouchers specifically set aside for youth exiting foster care.
- Services will be provided as needed, including case management, financial assistance, mental health counseling, employment assistance, literacy tutoring, GED preparation, and life skills training.

- The application included letters of support from the Govalle Neighbors Neighborhood Association and the Rosewood Neighborhood Contact Team.

LifeWorks Affordable Housing Corporation

LifeWorks Affordable Housing Corporation is a 501(c) (3) non-profit corporation formed in 2001 to provide decent, safe, and affordable housing for clients of Youth and Family Alliance, doing business as LifeWorks. LifeWorks was formed in 1998 through the merger of four non-profit organizations providing services to youth and families. LifeWorks supports youth and families to achieve self-sufficiency through counseling, housing, education/workforce training, and youth development.